

Pintasilgo hints at austerity

BY JIMMY BURNS IN LISBON

ONE OF the more immediate tasks of Portugal's new caretaker Government will almost certainly be the raising of administrative prices to make subsidy allocations in the 1979 budget compatible with the needs of public enterprises. The increases would also lead to an early agreement with the International Monetary Fund for assistance.

At a press conference to announce her new Cabinet yesterday, Dr Maria de Lourdes Pintasilgo, the Portuguese Prime Minister, hinted that a new period of austerity lay ahead, particularly as a result of the a series of oil price increases.

"I have no doubt that we are facing an extremely difficult period," she said, adding that neither she nor her Ministers would bow away from taking unpopular decisions.

The imminent threat of price increases and the full list of ministers was "leaked" to the press on Monday night by Sr Jose Guerreiro, a leader of the small Democratic Union Party (UDP).

Significantly, Dr Pintasilgo has resurrected the portfolio of economic planning and co-ordination which will oversee the Ministry of Finance and Industry and co-ordinate decisions in key sectors. The Ministry will be led by Sr Carlos Correia Gago, the chairman of Portugal's nationalised oil company, Petrolgal. Professor Antonio Sousa Franco, a former leader of the Social Democrat Party (PSD) is the new Minister of Finance.

Dr Pintasilgo said yesterday that she hoped the Government programme for the three-month period leading up to the general election would be completed within the constitutional limit of 10 days.

Dr Francisco da Carneiro and Professor Diogo Freitas do Amaral, leaders of Portugal's recently formed Right-wing alliance, left for Madrid yesterday on the first leg of a European tour to raise funds and support for their election campaign. They will meet the Spanish Prime Minister Sr Adolfo Suarez.

The alliance, which is based on the Centre-Right Social Democratic



Dr Maria Pintasilgo

Party (PSD) and the Conservative Christian Democrat Party (CDS), is looking for ways of counteracting the considerable international support enjoyed by the Portuguese Socialist Party.

